

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 4/22/2014	(3) CONTACT/PHONE Brian Spaulding (805) 788-2963													
(4) SUBJECT Request to approve a rate adjustment for the garbage hauling services provided by Mid-State Solid Waste and Recycling Services (.85%) and San Miguel Garbage Company (.63%). All Districts.															
(5) RECOMMENDED ACTION It is recommended that your Board approve a CPI and tipping fee pass-through rate increase for Mid-State Solid Waste and Recycling Services, Inc. and a CPI rate increase for San Miguel Garbage Company, to be effective June 1, 2014, as detailed in the following attachments:															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; text-align: center;"><u>Exhibit</u></th> <th style="width: 20%; text-align: center;"><u>Company Name</u></th> <th style="width: 20%; text-align: center;"><u>Adjustment Type</u></th> <th style="width: 50%; text-align: center;"><u>Areas Served</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">A</td> <td>Mid-State Solid Waste & Recycling Services</td> <td>0.63% CPI and 0.22% Pass-through Rate Adjustments</td> <td>Creston, Pozo, Garden Farms, Santa Margarita and unincorporated areas around Templeton CSD and the City of Atascadero.</td> </tr> <tr> <td style="text-align: center;">B</td> <td>San Miguel Garbage Company</td> <td>0.63% CPI Rate Adjustment</td> <td>Shandon, Nacimiento Lake Road area, Monterey Road area, Whitley Gardens, Independence Ranch, Jardine, Oak Shores, Wellsona area, fringe areas of San Miguel, Running Deer, Bee Rock, and Chimney Rock.</td> </tr> </tbody> </table>				<u>Exhibit</u>	<u>Company Name</u>	<u>Adjustment Type</u>	<u>Areas Served</u>	A	Mid-State Solid Waste & Recycling Services	0.63% CPI and 0.22% Pass-through Rate Adjustments	Creston, Pozo, Garden Farms, Santa Margarita and unincorporated areas around Templeton CSD and the City of Atascadero.	B	San Miguel Garbage Company	0.63% CPI Rate Adjustment	Shandon, Nacimiento Lake Road area, Monterey Road area, Whitley Gardens, Independence Ranch, Jardine, Oak Shores, Wellsona area, fringe areas of San Miguel, Running Deer, Bee Rock, and Chimney Rock.
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(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A												
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)															
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A															
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A													
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____													
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>															
(18) SUPERVISOR DISTRICT(S) All Districts															

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jim Erb, Auditor - Controller - Treasurer - Tax Collector

DATE: 4/22/2014

SUBJECT: Request to approve a rate adjustment for the garbage hauling services provided by Mid-State Solid Waste and Recycling Services (.85%) and San Miguel Garbage Company (.63%). All Districts.

RECOMMENDATION

It is recommended that your Board approve a Consumer Price Index and tipping fee pass-through rate increase for Mid-State Solid Waste and Recycling Services, and a CPI rate increase for San Miguel Garbage Company, to be effective June 1, 2014, as detailed in the following attachments. Paso Robles Country Disposal declined any rate adjustment at this time.

<u>Exhibit</u>	<u>Company Name</u>	<u>Adjustment Type</u>	<u>Areas Served</u>
A	Mid-State Solid Waste & Recycling Services	0.63% CPI and 0.22% Pass-through Rate Adjustments	Creston, Pozo, Garden Farms, Santa Margarita and unincorporated areas around Templeton CSD and the City of Atascadero.
B	San Miguel Garbage Company	0.63% CPI Rate Adjustment	Shandon, Nacimiento Lake Road area, Monterey Road area, Whitley Gardens, Independence Ranch, Jardine, Oak Shores, Wellsona area, fringe areas of San Miguel, Running Deer, Bee Rock, and Chimney Rock.
---	Paso Robles Country Disposal	Declined any adjustment	The Unincorporated areas surrounding the City of Paso Robles

DISCUSSION

North County garbage hauling companies receive a Consumer Price Index adjustment annually. The rate adjustment represents the Consumer Price Index change calculated from September 2012 through September 2013. Consumer Price Index adjustments are intended to make garbage rate increases more predictable and less burdensome to the customers. This approach is in-line with the current method utilized by neighboring communities. Paso Robles Country Disposal declined the CPI increase.

In September 2012, the CPI Index for All Urban Consumers in the Los Angeles-Riverside-Orange County area, for All Items, was 238.104. The Index for September 2013 was recently reported at 239.611. The percentage increase between the two indices is 0.63% ($239.611 - 238.104 = 1.507$ and $1.507 / 238.104 = 0.0063$, or 0.63%).

Mid-State Solid Waste & Recycling is also requesting an additional 0.22%, as a pass through fee, in order to maintain their profit percentage from the impact of a \$1/ton tipping fee increase at Chicago Grade Landfill, made effective on January 1, 2014. San Miguel Garbage Company and Paso Robles Country Disposal declined a tipping fee pass through increase.

The Auditor-Controller-Treasurer-Tax Collector's office plans to conduct base rate reviews for all three north county garbage haulers this fall. South County garbage hauler base rate reviews are conducted by the cities and the County usually adopts their recommendations.

OTHER AGENCY INVOLVEMENT/IMPACT

Auditor-Controller-Treasurer-Tax Collector's staff has worked with the County's Public Works Solid Waste Coordinator in the preparation of this request.

FINANCIAL CONSIDERATIONS

The County will receive a slight increase in franchise fee revenues; overall there will be no significant financial impact to the County budget.

RESULTS

Rate adjustments enable garbage companies to maintain established profit margins while continuing to provide solid waste services to the public at reasonable rates. The final result would be greater compliance with your Board's desire for a healthier, more livable and well governed community.

ATTACHMENTS

SCHEDULE

Exhibit A	Mid-State Solid Waste & Recycling Services, Inc. Proposed Rate Schedule
Exhibit B	San Miguel Garbage Company Proposed Rate Schedule